

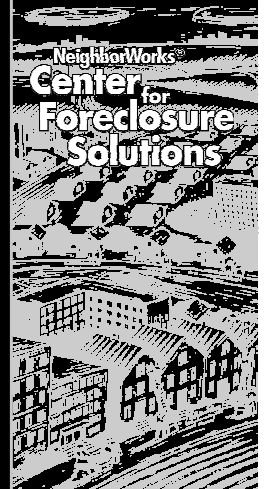


Taking Action

A Snapshot: Foreclosure Mitigation Work on the Ground

Local Government Strategies to
Mitigate the Impact of Foreclosures on Communities

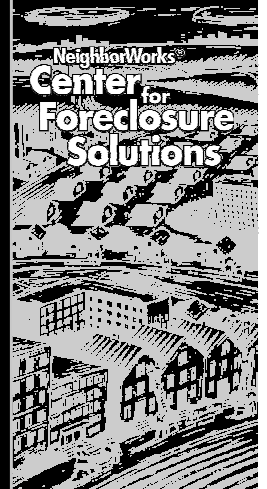
May 6, 2008





NeighborWorks® America: national reach, local impact

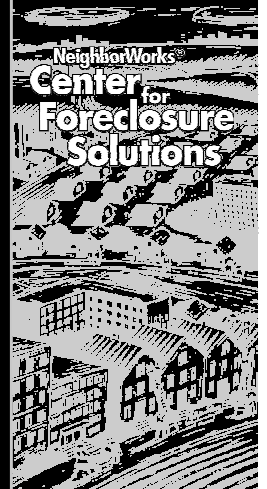
- **Congressionally chartered in 1978**
- **235 organizations in the NeighborWorks Network—32 in North Central District's 10 states**
- **Illinois affiliates in Chicago, Aurora, Freeport, Elgin**
- **NeighborWorks Center for Homebuyer Education and Counseling (NCHEC)**
- **NeighborWorks Center for Foreclosure Solutions**
- **Administered \$200 million Congressional National Foreclosure Mitigation rollout (\$1.5 Million to IDHA)**





NeighborWorks® Center for Foreclosure Solutions

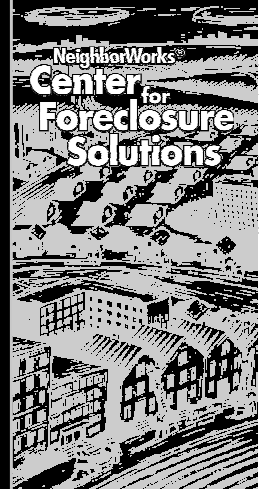
- Outreach & Education: Partnering with Ad Council for national foreclosure intervention ad campaign and counselor training/certification
- Building Counseling Capacity: Partnering with Homeownership Preservation Foundation to sponsor 24/7 bilingual free foreclosure counseling hotline
- Developing “HOT SPOT” Coalitions: Creating state-wide initiatives to address growing foreclosure problem and counselor training/certification
- Research: to support, inform and forecast above strategies/programs





What we know about foreclosures:

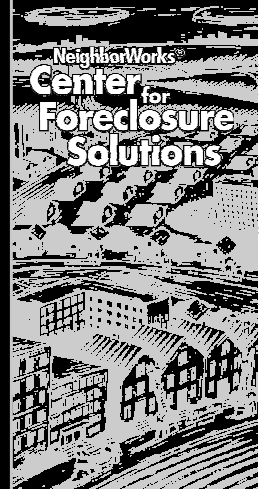
- Foreclosures happen to all kinds of families—real people
- Minority families hit hardest
- The unscrupulous meeting the unprepared
- Faulty and fraudulent underwriting
- Fictitious and fraudulent appraisal practices
- Predatory SALES practices—NOT LENDING as we know it
- Most sub prime loans were to existing homeowners





Foreclosed families are:

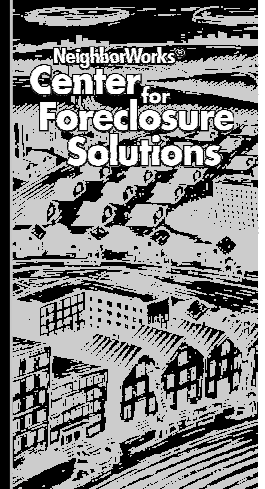
- Confused
- Overwhelmed
- Fearful
- Angry
- Hopeless
- Self-blaming
- Feeling helpless





The work on the ground:

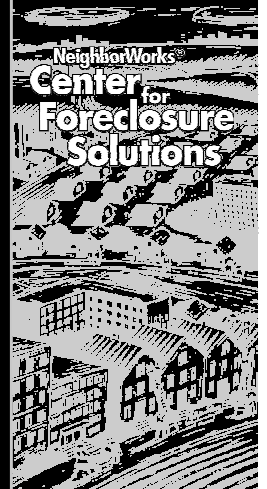
- Non profits providing foreclosure counseling/intervention aided by Congressional NFMC Program resources
- Borrower denial and reluctance to act
- Complex business challenges/barriers—securitization!
- Loan Servicer conundrum
- New line of business for most counseling organizations
- Capacity limitations in most communities
- Serving new kind of “customer”





On the ground help for borrowers

- **Local non profit certified FREE counseling resources**
- **Illinois Foreclosure Network agencies**
- **Chicago Foreclosure 311 HOPI Hotline**
- **1-888-995-HOPE free national 24/7 bilingual counseling HOTLINE**

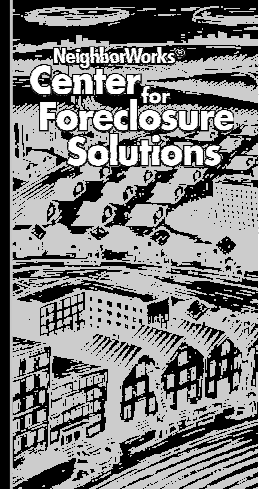




Helping homeowners in your community

(until the cavalry arrives)

- **Support local non profit certified counseling resources**
- **Work with Illinois Foreclosure Network agencies**
- **Engage other local non profits for referrals and ancillary services to distressed families**
- **Lend your city voice to the effort—press conferences, city mailings, newsletters**
- **Enlist the help of local media—news coverage, op eds, local radio/TV programs**
- **Form local foreclosure task group**
- **Hold community foreclosure assistance events**

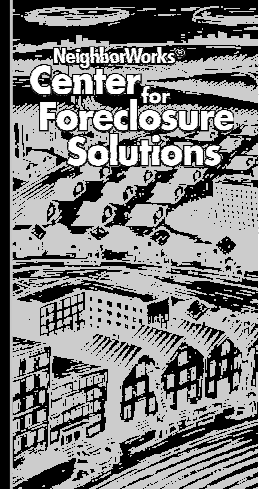




Helping homeowners in your community

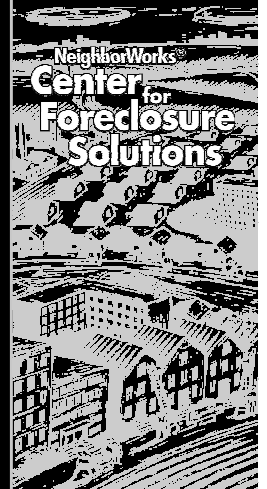
■ **The message:**

**Get assistance as soon as
you know you have a problem.**



Foreclosures can happen anywhere:

- Any Family
- Any Neighborhood
- Any Community
- Any Town or City



Nothing is worse than doing nothing.

